

Lead - Women Entrepreneurs in Egypt

Between 2011 and 2017, financial inclusion in Egypt rose from 10% to 33%, but women lagged behind. By 2017, nearly 23 million women remained unbanked, 1.8 million had dormant accounts, and two million women-led businesses struggled to access credit.

Lead Foundation saw these gaps firsthand. Women entrepreneurs wanted to grow, but inflation eroded loan value, loan sizes were insufficient, and policies like the 25-day arrears rule pushed borrowers out. By 2018, dropout rates of 35–50% made it difficult to sustain growth. These challenges stemmed from misaligned products, weak graduation pathways to individual loans, high staff turnover, limited geographic reach, and lack of digital repayment options.

Rather than accept these constraints, Lead partnered with Women's World Banking to redesign its model. Reforms included larger and more flexible loans, revised arrears policies, and clearer pathways from group to individual lending, supported by staff training and change management.

The new approach rolled out in late 2019 alongside geographic expansion and digital upgrades. When COVID-19 disrupted operations in 2020, Lead accelerated digital repayments through Fawry, Egypt's national e-payment network. Within five months, nearly 25% of clients were using the service. By end-2020, Lead had expanded outreach, improved customer retention and lifetime value, and strengthened its role in advancing women's financial inclusion.

Quick facts

Barriers addressed



Product & Market Design

- Inflexible product terms
- Poor understanding of women's financial needs



Digital & Physical Infrastructure

- Distance from financial service points



Entry and Capability Barriers

- Low digital financial capability

Segment focus

1 2 3 4

Geography

Egypt

Sources

N/A

Customer Journey Relevance



Key stakeholders involved

Lead Foundation

Exemplar/ Project name

Key activities

Product and policy redesign:

Lead adjusted loan sizes to better match women's business needs and repayment capacity, introduced more flexible documentation requirements, and expanded thresholds for late payments (from 25 to 50 days) to reduce unnecessary client exit. It also created clearer pathways for women to graduate from group to individual loans, allowing credit to scale with business growth, and shifted default management to the legal team to protect loan officer incentives.

Delivery and access improvements:

To expand reach, Lead implemented a structured branch expansion strategy, opening new locations in underserved areas. It also partnered with Fawry to introduce digital repayment channels, reducing branch congestion and enabling more convenient, flexible repayments - especially critical during COVID-19.

Institutional strengthening and change management:

Lead invested in staff and leadership capacity to ensure effective implementation. Training for loan officers and coordinators improved understanding of customer needs and retention drivers, while dedicated change management programs equipped managers to embed new policies and practices across the organization.

Outcomes/results

The project tested whether changes in loan policies and practices could improve retention and expand women's access to credit. While initially designed as a pilot, Lead moved directly to full rollout. COVID-19 accelerated this shift, making piloting impractical and necessitating immediate implementation of digital repayments and revised loan policies across all branches.

Outcomes were tracked across three areas - credit solutions, regional expansion, and digital transformation - using metrics such as customers reached, engagement, service adoption, and customer lifetime value.

- **Credit solutions:** Targeted 250,000 women with active credit. By September 2020, Lead served 226,739 clients, 85% women (193,068). While below target, product changes improved business performance: customer lifetime value rose from EGP 745 to 1,147 for group loans and from EGP 1,259 to 2,102 for individual loans.
- **Regional expansion:** Aimed to open 10 branches; 8 were operational by November 2020 despite COVID-19 delays, expanding access in underserved areas.
- **Digital transformation:** Fawry repayments launched in March 2020 and scaled quickly - usage rose from 2.5% to 23% of transactions within five months, indicating strong demand for digital channels.

Exemplar/ Project name

Outcomes/results (cont.)

The overall goal was to reach 215,000 women with access and 150,000 actively engaged. By September 2020, access reached 193,068 women, with 23,511 actively engaged. Shortfalls were largely due to COVID-19 disruptions, which slowed growth, delayed expansion, and led to cancellation of the graduation pilot - limiting progress in moving women from group to individual loans.

Despite this, the initiative strengthened customer value, expanded reach, and accelerated digital adoption. It demonstrates that targeted policy and operational reforms can improve retention, increase engagement, and advance women's financial inclusion while strengthening institutional resilience.

Key enabling environment factors for the intervention

The success of the project was not solely the result of design, operational adjustments, and user testing. It was also shaped by external conditions and support that created a favorable environment for change. Several factors were particularly influential:

- **Institutional commitment from Lead:** Demonstrated through openness to adjust loan policies, engage staff at all levels, and invest in training.
- **Government reforms:** In 2019, lenders were mandated to ensure that at least 20 percent of their total loan portfolios were directed to SMEs, signaling strong policy support for financial inclusion.
- **Size of the women's market:** Over two million women-owned enterprises, largely in informal and microenterprise sectors, created a significant opportunity and need for tailored financial solutions.
- **Digital infrastructure and partnerships:** Availability of the Fawry e-payment network provided a ready channel for rapid adoption of digital repayments when Covid hit.

Exemplar/ Project name

Potential for scale/replicability

The solutions developed through this project show strong potential for scaling within Lead's network and for adaptation by other financial institutions in similar markets. Core elements such as **revised loan policies, greater flexibility in renewal rules, structured graduation pathways, and targeted staff capacity building** proved both feasible and effective in addressing customer retention challenges. The rapid adoption of digital repayments through the Fawry network further demonstrated how external partnerships can accelerate scale. Taken together, these approaches offer a replicable model for financial service providers seeking to strengthen customer retention, expand outreach, and improve service delivery for women entrepreneurs operating in the micro and small enterprise sector.

Challenges encountered during the program

Although the project successfully introduced new policies and practices, its implementation was shaped by several challenges:

- **Covid-19 disruptions:** The pandemic significantly affected rollout. Two new branches were not opened as planned, portfolio growth slowed, and the graduation pilot was canceled. At the same time, the crisis forced immediate nationwide rollout of digital repayments, bypassing the planned pilot phase.

- **Limited assessment opportunities:** Because of Covid, the team was not able to conduct an implementation assessment of the rollout. This limited the ability to recommend adjustments that could have further improved outcomes.

Recommendations from the research

The implementation of Lead's customer retention and credit expansion solutions generated several lessons for financial service providers seeking to advance women's financial inclusion. These insights, grounded in operational experience and institutional learning, can guide similar initiatives in comparable markets:

- **Change management is essential:** Policy changes alone are not sufficient. To ensure frontline adoption, institutions must pair new policies with robust monitoring and supervision, alongside training, so that staff behaviors align with the intended outcomes.
- **Retention matters as much as growth:** The project highlighted that acquiring new customers is far costlier than retaining existing ones. Sustained attention to retention strategies is key for portfolio stability and scale.

Exemplar/ Project name

Recommendations from the research (cont.)

- **External factors can accelerate innovation:** The Covid pandemic forced immediate rollout of digital repayment channels. While unplanned, this catalyzed adoption, with nearly a quarter of clients using Fawry within six months. Providers can build on such momentum to sustain digital usage.
- **Geographic expansion takes time and resources:** Adding new branches can significantly expand outreach but requires careful planning and substantial investment. As part of this project, Women's World Banking developed a structured 180-day branch opening process for Lead, which included market research, site assessment, and operational planning. This approach helped ensure that expansion activities were systematic and aligned with customer needs.
- **Staff turnover is a risk:** Changes in personnel can disrupt implementation if not well managed. Strong project and file management systems are critical to ensure continuity and safeguard institutional learning.
- **Graduation pathways require protection from disruption:** The cancellation of the graduation pilot due to Covid-19 limited Lead's ability to demonstrate how women could transition from group to individual loans. This underscored the importance of safeguarding critical program components during crises, as graduation pathways are central to ensuring that loan products can evolve with women's business needs.

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Lead strengthened customer value, expanded its footprint, and accelerated digital adoption - demonstrating that well-designed policy and process reforms, supported by strong leadership, can advance women's financial inclusion while reinforcing institutional resilience.